

BEFORE THE  
POSTAL REGULATORY COMMISSION  
WASHINGTON, D.C. 20268-0001

COMPETITIVE PRODUCT PRICES  
GLOBAL RESELLER EXPEDITED PACKAGE CONTRACTS 2 (MC2013-51)  
NEGOTIATED SERVICE AGREEMENT

Docket No.  
CP2016-166

**NOTICE OF THE UNITED STATES POSTAL SERVICE OF FILING MODIFICATION  
ONE TO A GLOBAL RESELLER EXPEDITED PACKAGE CONTRACTS 2  
NEGOTIATED SERVICE AGREEMENT**

(August 16, 2016)

The agreement that is the subject of this docket went into effect on June 1, 2016.<sup>1</sup> Attached to this notice is Modification One, which the customer and the Postal Service have executed. The effective date of this modification will be established once the Commission completes its review. The modification amends Article 6 of the agreement, which changes what prices a reseller may offer for certain customers, and adds an additional Annex 3 to the agreement.

A redacted version of the modification is filed publicly as Attachment 1. In addition, the Postal Service is filing in separate Excel files redacted versions of the revised supporting financial documents for the contract that is the subject of this docket.

With respect to the nonpublic version of the modification, certified statement and the revised financial workpapers that are filed under seal, the Postal Service

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<sup>1</sup> Order No. 3316 - Approving Additional Global Reseller Expedited Package Services 2 Negotiated Service Agreement, PRC Docket No. CP2016-166, May 23, 2016.

incorporates by reference the application for non-public treatment that was filed in conjunction with the Postal Service's May 12, 2016, notice in this docket.<sup>2</sup>

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorneys:

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August 16, 2016

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<sup>2</sup> Notice of United States Postal Service of Filing a Functionally Equivalent Global Reseller Expedited Package 2 Negotiated Service Agreement, Docket No. CP2016-166, May 12, 2016, at Attachment 4.

**MODIFICATION ONE TO THE  
GLOBAL CUSTOMIZED MAIL AGREEMENT BETWEEN  
THE UNITED STATES POSTAL SERVICE AND**

[REDACTED]

This Modification amends the Global Customized Mail Agreement ("Agreement") between [REDACTED] ("Reseller") with offices at [REDACTED] and the United States Postal Service ("USPS"), an independent establishment of the Executive Branch of the United States Government, with offices at 475 L'Enfant Plaza SW, Washington, DC 20260-9998, signed by the Reseller on April 19, 2016, and signed by the USPS on April 22, 2016. The Reseller and the USPS may be referred to individually as a "Party" and together as the "Parties." The Parties agree to modify the Agreement as follows.

1. Amend Article 6(2) and 6(3) of the Agreement, which shall now read as follows:

**6. Obligations of the Reseller.** The Reseller hereby agrees: .... (2) Prices Offered by Reseller to Reseller's Customers. (a) Subject to the conditions of this Agreement, the Reseller has the right to offer the Reseller's Customers discounts for Qualifying Mail [REDACTED]

[REDACTED] (b) If a Reseller's Customer agrees with the Reseller to meet an annualized minimum commitment of [REDACTED], and the USPS gives written approval of the arrangement, the Reseller has the right to offer that Reseller's Customer the rates for Qualifying Mail listed in Annex 3 of this Agreement. (3) Payment Method. (a) To pay postage to the USPS through the intermediary of one or more PC Postage Providers of the Reseller's choosing provided that the PC Postage Provider(s) is listed as approved in DMM 604.4.1.4, and capable of both (i) programming rates based on this Agreement, and (ii) complying with USPS reporting requirements related to this Agreement; and/or (b) Only after notification from USPS to the Reseller that postage payment through the Electronic Verification System (eVS) is acceptable, to pay postage through eVS®, using a permit imprint subject to the conditions stated in DMM 604.5 and IMM 152.6, following standards as published in USPS Publication 205 Electronic verification System (eVS®) Business and Technical Guide, USPS Publication 199 Intelligent Mail Package Barcode (IMpb) Implementation Guide for: Confirmation Services and Electronic Verification System (eVS) Mailers, and other related documents. Reseller may pay postage through eVS® only after USPS provides notification to the Reseller that postage payment through the eVS system under this Agreement is permissible. (c) Postage for Reseller's Customers qualifying to utilize the rates in Annex 3 of this Agreement in accordance with Article 6(2)(b) above must be paid through the use of a unique meter number, which shall not be used by any other mailer and shall not be linked with any rates other than the rates in Annex 3 of this Agreement.

2. Add a new Annex 3, attached to this Modification.

The USPS will notify the Reseller of the Effective Date of this Modification within thirty (30) days after receiving the approval of the entities that have oversight responsibilities for the USPS.

All other terms and conditions of the Agreement shall remain in force.

The Reseller acknowledges that as part of securing approval of this Modification, and in other subsequent regulatory filings, this Modification and supporting documentation will be filed with the Postal Regulatory Commission ("Commission") in a docketed proceeding (CP2016-166). The Reseller authorizes the USPS to determine the scope of information that must be made publicly available in any Commission docketed proceeding in which information related to this Modification must be filed. The Reseller further understands that any unredacted portion of the Modification or supporting information will be available on the Commission's public website, <http://www.prc.gov>. In addition, the USPS may be required to file information in connection with this Agreement (including revenue, cost, or volume data) in other Commission dockets, including the Commission docket number for the Annual Compliance Report (ACR) for the USPS fiscal year(s) in which this Agreement is in effect. Each ACR docket has a distinct docket number, such as ACR201#, in which "201#" signifies the USPS fiscal year to which the ACR pertains.

[REDACTED]



The Reseller has the right, in accordance with the Commission's rules, to address its confidentiality concerns directly with the Commission. The procedure for making an application to the Commission for non-public treatment of materials believed to be protected from disclosure is found at Title 39, Code of Federal Regulations, Section 3007.22 found on the Commission's website, <http://www.prc.gov/Docs/63/63467/Order225.pdf>.

The Parties acknowledge and understand that all obligations of the USPS under this Modification shall be contingent on the USPS receiving approvals hereinafter ("Conditions Precedent") from one or more internal and external bodies that have oversight responsibilities. Conditions Precedent may include, but are not limited to: approvals or, if applicable, non-objection, from responsible USPS management officials, the USPS Board of Governors, the USPS Governors, the Postal Regulatory Commission, and/or any other governmental body with oversight responsibility for the USPS. The Parties acknowledge that this Modification may not be approved by such individuals or bodies. Until such time that all Conditions Precedent are fulfilled that are necessary to allow the Postal Service to provide the products or services contemplated under this Modification, no obligation shall exist for the USPS and no benefit shall inure to either Party.

In the event that the Conditions Precedent are not fulfilled, the USPS shall have no liability, which shall include no obligation to pay costs associated with any action taken by the Reseller prior to the Effective Date of the Modification. Further, in the event of termination of the Agreement or the failure of any Condition Precedent, the USPS shall not be held liable for any damages including, without limitation, actual; special; indirect; incidental; punitive; consequential; or any other damages, which shall include but not be limited to damages for loss of business profits; business interruption; any other loss; and/or for costs incurred by either Party attributable to such non-approval such as attorney's fees.

The Parties may execute this Modification in one or more counterparts (including by facsimile or by electronic means such as .pdf format). Not all Parties need be signatories to the same document. All counterpart signed documents shall be deemed an original and one instrument.

In witness whereof, this Modification is deemed executed on the latter of the two dates accompanying the Parties' signatures.

**ON BEHALF OF THE UNITED STATES POSTAL SERVICE:**

Signature:

*Frank A. Cebello*

Name:

FRANK A. CEBELLO

Title:

DIRECTOR INT'L SALES

Date:

8/12/16

**ON BEHALF OF**

Signature:

Name:

Title:

Date:

8/11/2016

ANNEX 3

PRICES FOR FIRST-CLASS PACKAGE INTERNATIONAL SERVICE

**Confidential**

USPS / [REDACTED] 8/2016

Modification One Page 2 of 3

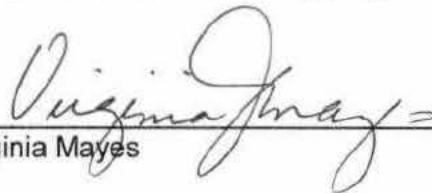
ANNEX 3  
PRICES IN UNITED STATES DOLLARS FOR  
FIRST-CLASS PACKAGE INTERNATIONAL SERVICE  
FOR COUNTRY GROUPS 1-9

Weight Not Over (Oz)	Price Group 1	Price Group 2	Price Group 3	Price Group 4	Price Group 5	Price Group 6	Price Group 7	Price Group 8	Price Group 9
1									
2									
3									
4									
5									
6									
7									
8									
12									
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**Certification of Prices for the Global Reseller Expedited Package Contracts 2  
with [REDACTED]**

I, Virginia Mayes, Manager, Cost Attribution, Pricing and Costing, Finance Department, United States Postal Service, am familiar with the prices for the Global Reseller Expedited Package Contract with [REDACTED]. The prices contained in this Contract were established by the Decision of the Governors of the United States Postal Service on the Establishment of Prices and Classifications for Domestic Competitive Agreements, Outbound International Competitive Agreements, Inbound International Competitive Agreements, and Other Non-Published Competitive Rates, issued March 22, 2011 (Governors' Decision No. 11-6), which established prices by means of price floor formulae.

I hereby certify that the numerical cost values underlying the prices in the [REDACTED] contract are the appropriate costs to use in the formulae and represent the best available information. The prices, resulting in a cost coverage of in excess of the minimum required by the Governors' Decision, exclusive of pickup on demand and international ancillary services fees, are in compliance with 39 U.S.C § 3633 (a)(1), (2), and (3). The prices demonstrate that the Contract should cover its attributable costs and preclude the subsidization of competitive products by market dominant products. International competitive mail accounts for a relatively small percentage of the total contribution by all competitive products. Contribution from Global Reseller Expedited Package Contracts should be even smaller. The Agreement with [REDACTED] should not impair the ability of competitive products on the whole to cover an appropriate share of institutional costs.

  
Virginia Mayes